UNITED STATES OF AMERICA
BEFORE THE NATIONAL LABOR RELATIONS BOARD
REGION 26

HONEYWELL INTERNATIONAL, INC.
Employer

and **Case No. 26-UC-192**
(formerly 12-UC-151) [1]

UNITED STEELWORKERS OF AMERICA,
LOCAL 9292, AFL-CIO, CLC
Petitioner

DECISION AND ORDER

United Steelworkers of America, Local 9292, filed a petition under Section 9(b) of the National Labor Relations Act, as amended, seeking to clarify the existing bargaining unit. A hearing was held before a hearing officer of the National Labor Relations Board, herein referred to as the Board. The issue litigated was whether the newly created positions of production control clerk, production control coordinator and inventory manager should appropriately be included in the existing unit. The Petitioner contends these positions perform duties substantially similar to those performed by current bargaining unit members and share a community of interests with them sufficient to support their inclusion in the bargaining unit.[2] The Employer contends that the duties of these positions are managerial in nature; therefore, they should be excluded from the existing unit.

[1] The General Counsel issued an Order Transferring Case from Region 12 to Region 26. Pursuant to said Order, to the extent that further proceedings are appropriate to effectuate this Decision, this case will automatically transfer back to Region 12 and will continue as Case 12-UC-151 except that Region 26 will retain jurisdiction only with respect to issues relating to the substance of this Decision.
[2] At the hearing, the Petitioner amended its petition to delete from its proposed additions the positions of production control team leader and production planning analyst.

I have considered the testimony and evidence presented at the hearing, and the briefs filed by the Union and the Employer. As described below, I have decided that the production control clerk, production control coordinator and inventory manager are managerial positions that do not share a community of interests with the members of the bargaining unit and are appropriately excluded from the Unit.

FACTS

The Employer and the Petitioner have a longstanding collective bargaining relationship at the facility. The Petitioner was recognized in 1990 to represent "All service, warehouse and maintenance employees, plant clerical employees, truck drivers and driver/messengers" employed by the Employer at Blount Island. There are certain exclusions, including clerical specialists, confidential employees, and Secretary IIs. The parties have a collective bargaining agreement (CBA), which is effective from December 14, 1998 to January 1, 2004. There are about 485 employees in the current bargaining unit.

The Employer is the exclusive contractor for the United States Marine Corps for the Marine Prepositioning Forces (MPF) program at its facility on Blount Island in Jacksonville, Florida. The MPF program is the Marines' war reserve mission to stage 15 large ships throughout the world in order to have supplies, transportation, equipment and fighting material, pre-positioned and ready for war, conflict or other Marine Corps' needs. These ships carry one million piece parts, including tanks, trucks, and mechanical equipment, diggers and graders as well as approximately 800 shipping containers with tents, tool kits, spare parts, medical supplies and food.

The Employer provides program management and support logistics for the ships. Thus, the Employer is responsible for keeping the ships supplied, loading and unloading them and servicing all the equipment that goes onto the ships. Each ship returns to Blount Island every 30 months for between 22 and 31 days. During this time, everything on the ship is off-loaded, checked, inventoried, maintenance is performed, and necessary repairs are completed. The ship is then re-loaded. Additionally, the ships are re-supplied with new or replacement materials.

In 1999, the Marine Corps changed the MPF contract from a "cost-plus contract" to a "fixed price contract".[3] The Marine Corps required that the successful bidder submit a process improvement proposal and included a performance incentive clause in the contract. Thus, the Employer determined they needed more planning, inventory control and scheduling in order to retain the contract and to be profitable. Before this time, the Employer did not have any program-wide planning, scheduling or inventory or an integrated software system. The Employer's initial step for program-wide planning was the use of Visio, a graphics package, and then the installation of Microsoft Project, a project planning software. This created a need for a "production control clerk"[4] and the first one was hired in April 2000. In January 2001, the Employer contracted with a temporary employment agency for the hiring of two production control clerks. This arrangement lasted until August 2001. The Petitioner did not protest or request bargaining over these positions.

[3] Under the "fixed price" contract, the Employer (contractor) could no longer pass the additional costs to the Marine Corps.

[4] The Employer used this name in order to correlate with a Department of Labor job title classification as required under the Service Contract Act.

In early 2001, the Employer began the process of installing Alliance Information Management System (AIMS), an integrated database system, to replace Supported Activity Supply System (SASSY). AIMS integrates all of the Employer's major functions and assists in achieving total asset visibility, better management of its labor resources, more efficient expenditure of its money and better data accuracy. AIMS eliminates the need for almost all manual reporting and extensive data entry, hard-copy tracking reports and many other time-consuming production progress reports. Due to the pending installation of AIMS, a reorganization was conducted.[5] The new organization was designed around the core processes of production planning, acquisition management, material management, maintenance and production and shipboard operations. In this reorganization, two completely new groups were created to perform program-wide planning and inventory management functions never before performed by the Employer. A production planning group was created to be responsible for overall program planning. John Rothwell is the manager of this group, which is divided into sub-groups, including planning management. Planning management included the new positions of production control team leader, production planning analyst and production control coordinator. The planning management subgroup is responsible for creating the program-wide schedule, monitoring the branches' performance against the program-wide schedule, analyzing schedule variances, adjusting schedules and assigning necessary resources.

[5] In August 2001, the Employer met with the Petitioner concerning the implementation of AIMS and thereafter in September 2001, the parties reached an agreement over the effects of AIMS on bargaining unit employees.

On May 3, 2001, the Employer created four production control coordinator positions. On August 8, 2001, the Employer posted seven openings for production control clerks. The following branches have a production control clerk: ordnance, communication/electronic equipment, engineer, material production, medical, motor transport and one unfilled position. Hutsell testified he observed this posting for non-bargaining unit positions and questioned the Employer about the matter.

The production control coordinators work with branch managers and production control clerks to create an overall program-wide production schedule for each ship, calculate, with the assistance of the production control clerks, how many employees are needed for each task, prioritize the tasks, recommend resource adjustments to the schedule requirements, identify schedule variances and prepare explanations on why work is ahead of or behind schedule, modify the program-wide schedule and recommend necessary schedule adjustments based on actual production performance while the ship is in port.

The production control coordinators are nonexempt employees, who are paid $15.59 per hour and are eligible for overtime or flex time. The bargaining unit employees are not eligible for flextime. Only one of the four production control coordinators was previously employed in a bargaining unit position.[6] They are supervised by the production control team leader, a new position that the Petitioner is not seeking to be included in the bargaining unit.

The production control clerks assign labor resources to equipment in AIMS, assist the coordinators in determining that the right number of employees are assigned

[6] William McElroy was a material specialist.

to each task, ensure each task is completed in order of priority, monitor day-to-day progress with respect to the production schedule, recommend schedule adjustments and resource adjustments to the branch managers concerning schedule requirements, identify schedule variances and prepare explanations on why work is ahead of or behind schedule. Much of the information and data, which the clerks use, is received from the material specialists – II, III or lead. In July 2000, James Layton, a production control clerk, identified what appeared to be an employee work slowdown and informed his manager of this situation.[7] Thereafter, the Petitioner was informed of this work slowdown and solicited to help resolve the matter. No unit employees possess the authority to build schedules, assign resources or prioritize work. None of the above job duties were previously performed by bargaining unit employees. Notwithstanding the Petitioner's assertion to the contrary, that bargaining unit employees had previously performed this work, is not supported by record evidence. Moreover, the Petitioner's assertion that material specialist II, Leigh Quintero, testified she performed the same work duties as the production control clerks, is inaccurate. Quintero testified she provided certain information concerning requisitions and reports to a production control clerk, who thereafter utilized the information for unknown purposes.

The production control clerks are nonexempt employees, who earn between $13.00 and $14.60 per hour and are eligible for overtime or flex time. Of the six current production control clerks, only one clerk was promoted from a bargaining unit position. They are supervised by the respective branch managers, who also supervise bargaining unit employees.

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[7] The Petitioner's assertion, that production control clerks James Layton, Thomas Powers and Doris Sherman denied possessing managerial authority, is incorrect. They denied they had any supervisory

The major difference between coordinators and clerks is that coordinators assign the number of employees needed for each task and the clerks make the assignments of particular employees to the tasks.

Both the production control coordinators and clerks have access to various confidential information, including the pay of the managers, labor cost data, material costs and indirect costs.

On June 5, 2001, two inventory manager positions were created and thereafter in October 2001, three additional positions were added. They are employed in the newly formed acquisition management group, under the supervision of manager Harris Bischoff, along with several buyers and three material specialists. The inventory managers are responsible for managing the inventory of material, tracking budgetary requirements, identifying sources to meet the material requirements, determining whether the source should be commercial or government, writing off certain lost or expired inventory and approving procurement of these materials. This authorization of procurement of materials is up to $15,000 for some items, $5,000 for some items and $1,000 for other items. In deciding whether to approve or disapprove requisition requests and write-off inventory, the inventory managers use their discretion. According to Kenneth Trossbach, the deputy program director of MPF, bargaining unit employees do not possess or utilize the above authority. Previously, each branch manager decided what supplies or parts to buy and when to buy them.

Besides the above authority, inventory managers possess and utilize the authority to approve leave requests, vacation, time off & time cards for over 100 employees.

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authority.

Of the five inventory managers, two are former bargaining unit employees and the others were previously in management or supervisory positions. The inventory managers are exempt employees, who receive a salary of $38,000 a year and are eligible for compensatory time, not overtime. Deryl Tunstall, a current inventory manager and former material specialist III lead, a bargaining unit position, testified he worked on the "management side."

The Petitioner asserts the inventory managers have the same authority as material specialist III leads. The Petitioner presented the testimony of materials specialist III leads Patti Russell, Paula McGuire and Joseph Penzera. Russell, the wife of the Petitioner's vice-president, testified she had "previously been responsible for Tunstall's current job" -- inventory manager. Later, Russell testified the jobs were only "somewhat similar" but she had not observed any of the inventory managers performing their duties and her only knowledge of their duties was through e-mails from Tunstall. Penzera and Russell testified material specialists III leads were not involved in the scheduling of resources or in budgetary responsibilities. Tunstall testified that as a material specialist III lead, he did not have the authority to approve purchases, time cards, leave requests or write off inventory.[8] Russell concurred with the testimony that material specialist III leads do not have the authority to approve time off, time cards, purchases or write-off inventory.[9] McGuire and Penzera testified either a supervisor or manager was required to approve all purchase orders.

[8] Laura Herzog denied the testimony of Hutsell and Russell that she said that inventory managers are doing the same job as material specialist III leads.
[9] McGuire testified she had approved about 10 time cards over the past two years. The Employer's witnesses testified McGuire was not authorized to do so.

Although AIMS began to be implemented in the first half of 2001, it was not originally planned to "to go live" (take over all database systems) until July 7, 2001. Due to certain difficulties, this was rescheduled on several occasions. Eventually, AIMS went “live" on February 19, 2002. Despite not going “live” until recently, the Petitioner’s assertion that the Employer’s witnesses only testified about their uncertain future duties is incorrect. The witnesses testified about their current duties, which would be expanding.

ANALYSIS

In determining whether there has been an accretion to the bargaining unit, the Board has followed a restrictive policy. In **United Parcel Service**, 303 NLRB 326, 327 (1991), the Board explained its restrictive policy as follows:

> One aspect of this restrictive policy has been to permit accretion only in certain situations where new groups of employees have come into existence after a union’s recognition or certification or during the term of a collective bargaining agreement. If the new employees have such common interests with members of an existing bargaining unit that the new employees would, if present earlier, have been included in the unit or covered by the current contract, then the Board will permit accretion in furtherance of the statutory objective of promoting labor relations stability.

The record is clear that the job classifications in dispute were created in 2000 and 2001, which is in the term of the current CBA. The Petitioner asserts the inventory managers, production control coordinators and production control clerks have a community of interest with the bargaining unit employees. The Employer asserts these employees are managerial.

It is well established that managerial employees must be excluded from bargaining units. **NLRB V. Bell Aerospace Co. Division of Textron, Inc**., 416 U.S.

267 (1967); **Concepts & Designs**, 318 NLRB 948 (1995). In **NLRB v. Bell Aerospace**, 416 U.S. at 288, managerial employees were defined as those who "formulate and effectuate management policies by expressing and making operative the decisions of their employer."

The Employer cites several cases where the Board has found employees, performing similar work to the production control coordinators and production control clerks, to be managerial employees. In **Virginia Manufacturing Co**., 311 NLRB 992 (1993), the Board excluded the production control clerk who tracked production data and based on his data compilations and calculations made lists for management to determine their daily production priorities. The Board stated "the production employees might well view his monitoring their work efficiency through time studies and the like as potentially adverse to their employment interests, thereby leading them to consider (him) to be more aligned with management interests than with theirs." *Id.* at 993.[10] The Board in **Firestone Tire and Rubber Co**., 112 NLRB 571, 573 (1955), found the "scheduler in production" to be a managerial employee, wherein he tracked the delivery orders and, in consultation with the plant superintendent, determined the number of machines needed to meet the production schedules. Another case with a similar holding is **CF & I Steel Corp**., 196 NLRB 470, 472 (1972), wherein the Board held that production coordinators who “do short-term planning involving the production for each mill and check the daily fluctuations in the planner’s overall forecasts" were managerial employees.

[10] The Board also found he was an office clerical/technical employee and, thus, did not have a community of interest with the production employees. *Id.*

The Employer also cites caselaw in support of the inventory managers as managerial employees. In **Concepts & Designs**, *supra*, at 956-57, the Board found the purchasing/inventory controller was a managerial employee based upon her discretion to determine which vendor to purchase from and her ability to commit the employer's credit in substantial amounts. The Board reached a similar conclusion in **American Locomotive Company**, 92 NLRB 115, 117 (1950), and **Swift & Company**, 115 NLRB 752, 753 (1956), finding buyers to be managerial employees.

The Petitioner asserts the inventory managers, production control coordinators and production control clerks have the same working conditions and receive the same fringe benefits as bargaining unit employees. Concerning the working conditions, the record establishes that all of the Employer's employees are governed by the same work rules and working conditions. As for fringe benefits, the record establishes the three positions in dispute are eligible for compensatory or flextime while bargaining unit employees are not. Furthermore, the inventory managers are not eligible for overtime as exempt salaried employees. *Assuming arguendo*, the bargaining unit employees and the production control coordinators, production control clerks and inventory managers have the same working conditions and fringe benefits, this does not disprove the Employer's assertion that the positions are managerial.

The record evidence establishes that the duties of the production control coordinators and production control clerks are similar in nature to the duties of the individuals cited in the above Board cases. Specifically, the production control coordinators and production control clerks "formulate and effectuate management policies" by creating an overall program-wide production schedule for each ship, calculating how many employees are needed for each task and assigning the specific employees, prioritizing the tasks, recommending resource adjustments to the schedule requirements, identifying schedule variances and preparing explanations on why work is ahead of or behind schedule, modifying the program-wide schedule and recommending necessary schedule adjustments based on actual production performance while the ship is in port. It should be especially noted that the action of James Layton, a production control clerk, in notifying his supervisor about an employee slowdown is the type of adversarial relationship which the Board found to establish managerial status in **Virginia Manufacturing**, *supra*. Thus, I find the production control coordinators and production control clerks in performing their jobs exercise substantial discretion on behalf of management in the effectuation of management policies; thus, they are managerial employees.

Concerning inventory managers, their duties of tracking budgetary requirements, identifying sources to meet the material requirements, determining whether the source should be commercial or government, writing off certain lost or expired inventory and approving procurement of these materials, up to a value of $1000 to $15,000, establish their use of substantial discretion on behalf of management. Thus, I find they are also managerial employees.

CONCLUSIONS AND FINDINGS

Based on the entire record in this proceeding, I conclude and find as follows:

1. The hearing officer's rulings made at the hearing are free from prejudicial error and are hereby affirmed.

2. The Employer is engaged in commerce within the meaning of the Act and it

will effectuate the purposes of the Act to assert jurisdiction herein. [11]

3. I find the Petitioner is a labor organization within the meaning of Section 2(5) of the Act.

4. The clarification of the bargaining unit is not warranted.

ORDER

The petition filed in the above-captioned case is dismissed.

DATED this 17th day of April 2002 at Memphis, Tennessee.

/S/

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Thomas H. Smith, Acting Director, Region 26
National Labor Relations Board
1407 Union Avenue, Suite 800
Memphis, TN 38104-3627

460-5033-7550-2000

[11] The parties stipulated that Honeywell International, Inc., hereinafter referred to as the Employer, is a Delaware corporation with an office and place of business at Blount Island, Jacksonville, Florida, where it is engaged in the business of providing logistic and maintenance support services. Within the past 12 months, a representative period, the Employer provided services to the United States Marine Corps valued in excess of $50,000. These services have a substantial impact on the national defense of the United States.